

August 17, 2012

WC Docket No. 11-42

Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.,
Room 5-B442,
Washington, D.C. 2055

To Whom It May Concern:

Xchange Telecom Corp. ("Xchange") has been asked by the Staff of the Wireline Competition Bureau, Federal Communications Commission ("Staff"), to supplement Xchange's Application in WC Docket No 11-42, to participate in the Broadband Adoption Lifeline Pilot Program dated July 2, 2012 (the "Application").

1. Requests for partnerships.

Xchange pointed out in its application that it believed the best set of data would be obtained by polling non-adopters, as well as the adopters that would be polled as part of the Pilot Program. Xchange's partner, Baruch College, estimated that such a poll would cost between \$175,000-200,000. Staff has advised Xchange that as part of the Pilot Program, there would be no way to fund such a poll. Staff suggested that Xchange look for another partner that would be willing to fund such a poll. Xchange is still looking for such a partner, and will update the Commission as soon as such a partner is found.

Staff also suggested that Xchange partner with a provider of equipment such as PCs to low-income people. Xchange is still looking for such a partner that services the area, and will update the commission should such a partner be found.

2. Equipment provided

Staff asked for clarification on the type of equipment to be provided to the customer. For Wireline/DSL and Wireline/NYCHA customers, Xchange will provide the customer with a DSL modem. Customers can connect wireless routers and other equipment to the DSL modem. For Fixed Wireless customers, Xchange will connect the WiMAX antenna that will be mounted to the customer's roof to a router. The router will have a voice port and a data port. Customers can connect wireless routers and other equipment to the router.

3. Advertising of Services

Staff asked for clarification on how Xchange would advertise services to existing customers. Xchange proposes to mail out vouchers to existing customers with a tracking number, so that it could track and cross reference the customers. The mailers will be generalized so that randomization of customer's discounts and offers can happen when a customer calls into the Customer service. At that time, the system will generate the randomized offer for the customer. The randomization will be geographically segregated as feasible to avoid the chance that customers in the same area will be aware of the other offers.

Agents will be coached on the point of the randomization so that we can ensure they will not publicize the different level of discounts.

4. Follow up survey

Staff requested that Xchange explain how it intended to run the follow up survey. Xchange, in partnership with Baruch, will gather the requisite data by soliciting customers to fill an online survey and pass it on to USAC. Xchange would also solicit follow up information of questions of interest, developed by Baruch and Xchange. For any customer that does not fill out this survey, Xchange customer service will contact them by phone within 90 days to conduct the survey. The online survey will allow the customer to call in instead of filling out the survey online to fill out the survey by phone.

5. Transition after pilot

During the first three months, Xchange will start signing customers as described in the Application to 12 month pilots periods. These customers will be signed up for the next nine months. At the end of the 12 month pilot period, when the customer's subsidy ends, Xchange will send out the attached letter. This letter will advise the customer that the pilot and subsidy period is ending.

Sincerely,



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[Date]

[Address Block]

Re: End of Lifeline Broadband Subsidy

Dear [Name],

Thank you for participating in the Broadband Adoption Lifeline Pilot Program. As a valued customer, we appreciate your trusting us with your telephone services. During the pilot period, you received a discount of [*discount amount*] off of your monthly Internet bill of [*bill amount*]. As of [date], the Pilot will end and you will no longer receive this discount.

As soon as the FCC releases information regarding the permanent subsidy, Xchange will inform you about its availability.

Unless you notify us, we will continue to provide you with Internet service at [*new rate*]. Please contact customer service at 1-877-853-8350 if you have any questions or to make any changes to your services.

Thank you for remaining a valued customer.

Sincerely,

Xchange Customer Service